State of Washington

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

PO Box 45811, Olympia WA 98504-5811

September 13, 2006

TO: All Potential Bidders

FROM: Sandra Elliot, RFQ Coordinator
              DSHS / Central Contract Services

SUBJECT: <u>Amendment No. 2 – DSHS Responses to Bidders' Questions</u>
              Request for Qualifications And Quotations #0642-336
              Part D Switching

The following DSHS Responses to Bidders' Questions received are issued as Amendment No. 2 to the Request for Qualifications and Quotations identified above and issued August 24, 2006.

Note: These DSHS Answers to Bidders' Questions may only explain or clarify some aspect that is already addressed in the RFP. But some of the answers may also supplement or change what was previously stated in the RFP, or in an exhibit.

Therefore it is important that bidders review <u>all</u> questions and answers, and not just those that they may have submitted.

DSHS Request for Qualifications
0642-336   Amendment 2

Bidder Questions/DSHS Answers

Item	Page	Section	Question	Response
1		Exhibit D	have been asked to request the BIN numbers for the PDP's listed in Exhibit D. We recognize the names of a lot of the We are unable to identify that we have access to all of these without the BIN numbers.	Until we have E-1 query ability we will not have this information, part of what this contract is about. The CMS website has plans listed by region. I would assume that the bidder would be able to look them up and do an E-1 query to obtain the BIN or any other numbers required for billing. We also are just beginning the contract process, so we do not have any direct information from the plans.
2	1	I A	In several places in the RFQQ, it is stated that candidates must be currently engaged in providing the requested mix of services (switching, eligibility determination, pre/post editing, A/R management) to at least two state-owned facilities. Is this in fact an absolute requirement?	You do not have to be providing all of the services that we are interested in. I would guess switching, E1, and maybe pre and post editing are common.

Item	Page	Section	Question	Response
3	2 13	I C 1 III E 6	Batch Billing – ▪ How will these claims be delivered (via real-time network, flat file via FTP, other) ▪ What format will they be in? (NCPDP 5.1, NCPDP 1.1 batch, other) ▪ What percentage of the claims will be delivered batch vs. real time? ▪ Over how many days will the batch submissions be spread? ▪ Is there a need for any pre-submission processing on our part (e.g., netting out multiple dispensings)? ▪ If batch files are used, will payers be commingled in one file?	Real time 5.1 Do not know yet 30 Pre and post editing is necessary New or renewed patient prescriptions will be co mingled. We assume that the batch will be transmitted and received real time and dealt with singly by the switch real time to get them to the correct payer.

Item	Page	Section	Question	Response
4	2	I C 2	What is included in your expectation of "Full A/R Management functionality"? In general, are you looking to the candidate for day-to-day management of the A/R asset, with periodic reporting to OFR as "upper management", or will OFR be actively managing the receivable on a daily basis, using tools provided by the candidate? Specifically, are you expecting the candidate to:	We assume the AR service can capture remittance (please clarify in proposal how and if the system deals with paper RA's and electronic RA's) We are looking for automation. We would like separate proposals for the following: • The AR system DSHS uses the information and does the work • The AR system RA's are posted automatically. Reconciliation is automated • All of the above and collection services
			▪ Receive 835 and other remittance advices and apply them against open receivables detail	Yes
			▪ Collect monies from payers and distribute it to pharmacies	No
			▪ Investigate rejected claims with payers ▪ Resubmit rejected claims ▪ Investigate aging claims with payers ▪ Collections activities ▪ Other	Maybe – please make a proposal Make a proposal both if DSHS deals with rejected claims and if you provide the service. Include both DSHS dealing with aging claims and your service Include in your proposal so we can make a choice to purchase or not.

Item	Page	Section	Question	Response
5	13	III E	Eligibility Determination ▪ What is included in your expectation regarding eligibility determination for Medicare Parts A, B, C, and D? Does it extend beyond the submission of eligibility (E1) queries to the TrOOP Facilitator?	It is our understanding that the pharmacy is to determine eligibility prior to sending a bill. In the inpatient psych hospitals, Part D eligibility is determined by the status of inpatient hospital benefits. If a patient has Part A days left or inpatient commercial insurance days left, we do not want to bill Part D. Some of our patients have Part B that will cover certain drugs. Part D will cover other drugs. E1 only covers Part D eligibility. We are looking for a way to determine other inpatient drug benefits.
			▪ What is meant by eligibility determination for commercial insurance?	Commercial insurance covers inpatient psych stays including drugs. We cannot bill both Part D and the insurance coverage.
6	13	III E 5	What data is required for the A/R interface to OFR systems? How often will data be sent?	OFR systems will not be utilized. Cash will come into the DSHS cash unit or via EFT. DSHS will Post to State accounting systems.
7	14	III G	Travel How many on-site visits are expected at the pharmacies? At the State?	We do not know.
8		General	Is there a backlog of unsubmitted claims that must be handled?	Yes – back to original enrollment or Jan. 1,06.
9		General	Pre-Post Edit Product Like A/R, Pre/Post edit generates numerous reports citing potential problems and opportunities for improved reimbursement, many of which require action. Are you looking to the candidate for day-to-day review, interpretation, and action based on these reports, or will OFR be actively working these reports on a daily basis, with the candidate responsible for periodic consultation and maintaining the reporting tools?	We are looking for proposals both if you provide the service and if DSHS does the work.
10			Is DSHS looking for the selected vendor to provide the Accounts Receivable operational staff and support or will the state be staffing that?	Make proposals that address DSHS staff doing the work and your staff doing the work.